

9 August 1955

OGC Has Reviewed

MEMORANDUM FOR: Mr. Houston

SUBJECT: Legal Retainer--

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1. The Contract Personnel Division has forwarded to this Office for review a memorandum in lieu of contract, evidencing an agreement made between the Subject and Chief of Station, [redacted]. It appears that the Subject is being paid [redacted] per month as a legal retainer provided that the services required of him do not demand more than 50% of his time. He is to receive additional pay and expenses if used outside of [redacted] or if he is required to devote more than 50% of his time. I have not discussed his specific use with the Desk Officer pending a determination as to where we are going on this type of case.

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2. On 14 June, I directed a memorandum to [redacted] regarding what appears to be a similar arrangement. The Division had proposed to pay an [redacted] annual retainer for his services. In this memorandum I stated, "While such an arrangement is an accepted practice in business circles, as far as I know, neither this Agency nor any other Executive Department of Government hires outside legal assistance on a retainer basis . . . It is suggested you review this proposal and ascertain if it is feasible to engage the Subject on an hourly or fee basis for the specific work that he is to perform." In the [redacted] my memorandum brought a justifiable allegation from the Division that we had known about the proposed use of this individual for some time; that we had raised no objection theretofore regarding his engagement on a retainer basis (as far as I know, we had not known until the Contract Check List was prepared that he was to be so engaged), and that it would embarrass them at this late date to re-open negotiations on the Subject. Consequently, [redacted] advised the Division to go ahead but to review the arrangement at the end of one year.

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3. I am not certain how you feel about these cases, and before I delve into the details of the attached, I should appreciate your opinion.

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Attachment

